

## **Basic Financial Statements**



## **Government-wide Financial Statements**



## State of Washington Statement of Net Assets

June 30, 2003

(expressed in thousands)

	Primary Government			
	Governmental	Business-Type	Total	Component Units
	Activities	Activities		
ASSETS				
Cash and pooled investments	\$ 3,546,087	\$ 3,405,125	\$ 6,951,212	\$ 38,668
Taxes receivable (net of allowance)	2,473,807	4,070	2,477,877	-
Other receivables (net of allowance)	791,170	1,154,258	1,945,428	1,609
Internal balances (net)	55,022	(55,022)	-	-
Due from other governments	2,089,289	81,255	2,170,544	-
Inventories	78,585	67,781	146,366	-
Investments, noncurrent	2,982,557	10,178,812	13,161,369	23,509
Other assets	139,227	82,701	221,928	16,236
Capital assets (Note 6):				
Non-depreciable assets	14,135,056	321,717	14,456,773	34,677
Depreciable assets, net of depreciation	5,974,621	958,368	6,932,989	452,836
Total capital assets, net of depreciation	20,109,677	1,280,085	21,389,762	487,513
Total Assets	32,265,421	16,199,065	48,464,486	567,535
LIABILITIES				
Accounts payable	924,158	115,663	1,039,821	1,478
Contracts and retainage payable	96,157	29,626	125,783	2,342
Accrued liabilities	388,848	199,145	587,993	111
Obligations under securities lending	801,272	1,626,005	2,427,277	-
Due to other governments	727,469	11,876	739,345	-
Deferred revenue	403,568	45,513	449,081	657
Long-term liabilities (Note 7):				
Due within one year	719,597	1,725,776	2,445,373	-
Due in more than one year	9,349,958	16,413,906	25,763,864	37,000
Total Liabilities	13,411,027	20,167,510	33,578,537	41,588
NET ASSETS				
Invested in capital assets, net of related debt	9,032,693	543,259	9,575,952	448,171
Restricted for:				
Unemployment compensation	-	1,513,465	1,513,465	-
Other purposes	424,287	-	424,287	21,287
Capital projects	228,506	-	228,506	-
Expendable permanent fund principal	459,548	-	459,548	-
Nonexpendable permanent endowments	1,231,663	-	1,231,663	-
Unrestricted (deficit)	7,477,697	(6,025,169)	1,452,528	56,489
Total Net Assets	\$ 18,854,394	\$ (3,968,445)	\$ 14,885,949	\$ 525,947

The notes to the financial statements are an integral part of this statement.

## State of Washington Statement of Activities

For the Fiscal Year Ended June 30, 2003

(expressed in thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 812,328	\$ 412,914	\$ 319,613	\$ 3,499
Education--elementary and secondary (K-12)	5,959,858	7,830	590,652	84
Education--higher education	3,750,120	1,095,342	1,175,122	8,938
Human services	8,971,393	335,060	4,846,031	-
Adult corrections	657,563	7,297	8,318	900
Natural resources and recreation	731,484	321,428	138,607	28,033
Transportation	1,422,345	620,851	49,990	546,531
Intergovernmental grants	341,371	-	-	-
Interest on long-term debt	415,017	-	-	-
Total governmental activities	23,061,479	2,800,722	7,128,333	587,985
Business-type Activities:				
Workers' compensation	2,616,634	1,315,623	7,684	-
Unemployment compensation	2,328,774	1,130,352	744,669	-
Health insurance programs	911,873	932,172	6,001	-
Higher education student services	1,051,347	1,069,491	10,992	-
Other	937,676	991,551	147	60,340
Total business-type activities	7,846,304	5,439,189	769,493	60,340
Total Primary Government	\$ 30,907,783	\$ 8,239,911	\$ 7,897,826	\$ 648,325
Total Component Units	\$ 27,749	\$ 10,063	\$ 213	\$ 31,211

General revenues:

Taxes - sales and use taxes

Taxes - business and occupation taxes

Taxes - property

Taxes - other

Interest and investment earnings

Total general revenues

Excess (deficiency) of revenues over expenses before contributions  
to endowments and transfers

Contributions to endowments

Transfers

Change in net assets

Net assets -- beginning, as restated

Net assets -- ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (76,302)	\$ -	\$ (76,302)	
(5,361,292)	-	(5,361,292)	
(1,470,718)	-	(1,470,718)	
(3,790,302)	-	(3,790,302)	
(641,048)	-	(641,048)	
(243,416)	-	(243,416)	
(204,973)	-	(204,973)	
(341,371)	-	(341,371)	
(415,017)	-	(415,017)	
(12,544,439)	-	(12,544,439)	
-	(1,293,327)	(1,293,327)	
-	(453,753)	(453,753)	
-	26,300	26,300	
-	29,136	29,136	
-	114,362	114,362	
-	(1,577,282)	(1,577,282)	
(12,544,439)	(1,577,282)	(14,121,721)	
			\$ 13,738
5,974,410	-	5,974,410	1,871
1,940,042	-	1,940,042	-
1,483,082	-	1,483,082	-
2,805,027	85,674	2,890,701	-
251,935	1,316,376	1,568,311	2,064
12,454,496	1,402,050	13,856,546	3,935
(89,943)	(175,232)	(265,175)	17,673
36,095	-	36,095	-
618,742	(618,742)	-	-
564,894	(793,974)	(229,080)	17,673
18,289,500	(3,174,471)	15,115,029	508,274
\$ 18,854,394	\$ (3,968,445)	\$ 14,885,949	\$ 525,947





## **Fund Financial Statements**

## GOVERNMENTAL FUNDS Balance Sheet

June 30, 2003

(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
<b>Assets:</b>					
Cash and pooled investments	\$ 704,072	\$ 94,607	\$ 341,472	\$ 2,255,780	\$ 3,395,931
Investments	6,945	890,916	1,844,993	207,425	2,950,279
Taxes receivable (net of allowance)	2,379,244	-	-	94,563	2,473,807
Other receivables (net of allowance)	236,363	270,468	26,346	390,111	923,288
Due from other funds	203,412	129,997	194	259,494	593,097
Due from other governments	601,297	106,653	-	1,316,321	2,024,271
Inventories	19,279	8,357	-	32,016	59,652
<b>Total Assets</b>	<b>\$ 4,150,612</b>	<b>\$ 1,500,998</b>	<b>\$ 2,213,005</b>	<b>\$ 4,555,710</b>	<b>\$ 12,420,325</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 587,476	\$ 48,381	\$ 3	\$ 252,219	\$ 888,079
Contracts and retainages payable	13,792	454	1,670	79,625	95,541
Accrued liabilities	125,253	147,202	12,136	75,879	360,470
Obligations under security lending agreements	203,550	154,638	270,521	170,978	799,687
Due to other funds	602,601	40,214	174,867	217,624	1,035,306
Due to other governments	79,526	11,434	-	124,903	215,863
Deferred revenues	1,160,907	145,985	9,335	466,904	1,783,131
Claims and judgments payable, current	9,306	-	-	31,322	40,628
<b>Total Liabilities</b>	<b>2,782,411</b>	<b>548,308</b>	<b>468,532</b>	<b>1,419,454</b>	<b>5,218,705</b>
<b>Fund Balances:</b>					
Reserved for:					
Encumbrances	205	1,922	-	346,696	348,823
Inventories	14,492	8,357	-	32,016	54,865
Permanent funds	-	-	1,744,473	173,849	1,918,322
Other specific purposes	33,990	217,560	-	1,157,367	1,408,917
Unreserved, designated for:					
Working capital	908,194	-	-	-	908,194
Unrealized gains	6,944	38	-	4,776	11,758
Debt service	-	-	-	100,354	100,354
Other specific purposes	-	155,679	-	168	155,847
Unreserved, undesignated	404,376	569,134	-	-	973,510
Unreserved, undesignated reported in nonmajor:					
Special Revenue Funds	-	-	-	1,211,403	1,211,403
Capital Projects Funds	-	-	-	109,627	109,627
<b>Total Fund Balances</b>	<b>1,368,201</b>	<b>952,690</b>	<b>1,744,473</b>	<b>3,136,256</b>	<b>7,201,620</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,150,612</b>	<b>\$ 1,500,998</b>	<b>\$ 2,213,005</b>	<b>\$ 4,555,710</b>	<b>\$ 12,420,325</b>

The notes to the financial statements are an integral part of this statement.

## State of Washington

### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets

June 30, 2003  
(expressed in thousands)

Total fund balances for governmental funds	\$	7,201,620
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Non-depreciable assets	\$ 14,122,819	
Depreciable assets, net of depreciation	5,676,896	
Total capital assets		19,799,715

Some of the state's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.		1,380,280
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Accrued current interest on general obligation bonds		(175,126)
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		(106,966)
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Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds and notes payable	(8,612,613)	
Accrued interest on bonds	(152,603)	
Claims and judgments	(68,491)	
Other obligations	(411,422)	
Total long-term liabilities		(9,245,129)

Net assets of governmental activities	\$	18,854,394
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The notes to the financial statements are an integral part of this statement.

## GOVERNMENTAL FUNDS

### Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2003  
(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
<b>Revenues:</b>					
Retail sales and use taxes	\$ 5,948,111	\$ -	\$ -	\$ 26,299	\$ 5,974,410
Business and occupation taxes	1,892,965	-	-	47,077	1,940,042
Property taxes	1,349,206	-	-	133,876	1,483,082
Excise taxes	514,550	-	-	68,785	583,335
Motor vehicle and fuel taxes	-	-	-	752,392	752,392
Other taxes	904,857	-	-	564,444	1,469,301
Licenses, permits, and fees	74,858	493	-	575,559	650,910
Timber sales	3,880	-	7,725	117,135	128,740
Other contracts and grants	223,678	406,671	-	14,475	644,824
Federal grants-in-aid	5,353,868	772,929	-	847,129	6,973,926
Charges for services	37,012	968,182	2	376,100	1,381,296
Investment income	35,543	55,163	94,829	66,400	251,935
Miscellaneous revenue	159,936	88,332	2,617	494,735	745,620
Contribution and donations	-	-	36,095	-	36,095
<b>Total Revenues</b>	<b>16,498,464</b>	<b>2,291,770</b>	<b>141,268</b>	<b>4,084,406</b>	<b>23,015,908</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	495,627	-	-	307,456	803,083
Human services	8,538,428	-	-	999,444	9,537,872
Natural resources and recreation	270,501	-	-	418,750	689,251
Transportation	16,036	870	-	1,345,830	1,362,736
Education	6,910,776	2,017,734	42	543,437	9,471,989
<b>Intergovernmental</b>	<b>26,774</b>	<b>-</b>	<b>-</b>	<b>314,597</b>	<b>341,371</b>
<b>Capital outlays</b>	<b>65,079</b>	<b>88,577</b>	<b>1</b>	<b>1,334,949</b>	<b>1,488,606</b>
<b>Debt service:</b>					
Principal	15,815	10,037	-	415,136	440,988
Interest	205	3,965	-	413,408	417,578
<b>Total Expenditures</b>	<b>16,339,241</b>	<b>2,121,183</b>	<b>43</b>	<b>6,093,007</b>	<b>24,553,474</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>159,223</b>	<b>170,587</b>	<b>141,225</b>	<b>(2,008,601)</b>	<b>(1,537,566)</b>
<b>Other Financing Sources (Uses):</b>					
Bonds issued	-	-	-	775,487	775,487
Refunding bonds issued	-	-	-	753,160	753,160
Payment to refunded bond escrow agent	-	-	-	(790,119)	(790,119)
Notes issued	11,392	18,629	-	2,106	32,127
Bond issue premium (discount)	-	(237)	-	58,350	58,113
Capital lease acquisitions	-	7,040	-	-	7,040
Transfers in	587,990	176,227	1,688	2,009,237	2,775,142
Transfers (out)	(727,962)	(240,932)	(88,607)	(1,088,815)	(2,146,316)
<b>Total Other Financing Sources (Uses)</b>	<b>(128,580)</b>	<b>(39,273)</b>	<b>(86,919)</b>	<b>1,719,406</b>	<b>1,464,634</b>
<b>Net change in fund balances</b>	<b>30,643</b>	<b>131,314</b>	<b>54,306</b>	<b>(289,195)</b>	<b>(72,932)</b>
<b>Fund Balances - Beginning, as restated</b>	<b>1,337,558</b>	<b>821,376</b>	<b>1,690,167</b>	<b>3,425,451</b>	<b>7,274,552</b>
<b>Fund Balances - Ending</b>	<b>\$ 1,368,201</b>	<b>\$ 952,690</b>	<b>\$ 1,744,473</b>	<b>\$ 3,136,256</b>	<b>\$ 7,201,620</b>

The notes to the financial statements are an integral part of this statement.

# **State of Washington** **Reconciliation of the Statement of Revenues, Expenditures and** **Changes in Fund Balances of Governmental Funds** **to the Statement of Activities**

For the Fiscal Year Ended June 30, 2003  
(expressed in thousands)

Net change in fund balances--total governmental funds \$ (72,932)

Amounts reported for governmental activities in the statement of activities  
are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	1,551,811	
Depreciation expense	(399,809)	
Excess of capital outlay over depreciation expense		1,152,002

Bond proceeds provide current financial resources to governmental funds, however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from:

Bonds and bond anticipation notes issued	(775,487)	
Refunding bonds issued	(753,160)	
Notes issued	(32,127)	
Bond issue premium	(58,113)	
Capital leases issued	(7,040)	
Total bond proceeds		(1,625,927)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of:

Bond principal retirement	440,988	
Payments to the bond refunding agent	790,119	
Total long-term debt repayment		1,231,107

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities. (69,753)

Because some revenues will not be collected for several months after the state's fiscal year ends, they are not considered "available" revenues in the governmental funds. Deferred revenues increased by this amount this year. (42,794)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Decrease in accrued and accreted interest	5,769	
Increase in compensated absences	(7,069)	
Increase in miscellaneous liabilities	(4,099)	
Increase in claims and judgments	(1,410)	
Total additional expenditures		(6,809)

Change in net assets of governmental activities	\$ 564,894
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The notes to the financial statements are an integral part of this statement.

# **PROPRIETARY FUNDS** **Statement of Fund Net Assets**

June 30, 2003

(expressed in thousands)

	<b>Business-Type Activities</b>				<b>Governmental Activities</b>
	<b>Enterprise Funds</b>				
	Workers' Compensation	Unemployment Compensation	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and pooled investments	\$ -	\$ 1,071,228	\$ 633,547	\$ 1,704,775	\$ 141,523
Investments	1,568,215	-	132,135	1,700,350	1,774
Taxes receivable (net of allowance)	-	-	4,070	4,070	-
Other receivables (net of allowance)	598,883	405,117	150,258	1,154,258	5,643
Due from other funds	2,404	4,837	61,362	68,603	60,891
Due from other governments	1,282	32,284	42,299	75,865	6,466
Inventories	183	-	67,598	67,781	18,935
Prepaid expenses	26	-	6,802	6,828	1,464
<b>Total Current Assets</b>	<b>2,170,993</b>	<b>1,513,466</b>	<b>1,098,071</b>	<b>4,782,530</b>	<b>236,696</b>
<b>Noncurrent Assets:</b>					
Investments, noncurrent	9,170,964	-	1,007,848	10,178,812	39,138
Other noncurrent assets	-	-	75,875	75,875	-
<b>Capital Assets:</b>					
Land	3,240	-	80,354	83,594	1,476
Buildings	62,446	-	1,154,653	1,217,099	72,512
Other improvements and miscellaneous	1,002	-	61,143	62,145	24,950
Furnishings and equipment	24,374	-	262,804	287,178	544,277
Accumulated depreciation	(31,605)	-	(576,449)	(608,054)	(344,013)
Construction in progress	-	-	238,124	238,124	10,761
<b>Total Noncurrent Assets</b>	<b>9,230,421</b>	<b>-</b>	<b>2,304,352</b>	<b>11,534,773</b>	<b>349,101</b>
<b>Total Assets</b>	<b>\$ 11,401,414</b>	<b>\$ 1,513,466</b>	<b>\$ 3,402,423</b>	<b>\$ 16,317,303</b>	<b>\$ 585,797</b>
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts payable	\$ 8,967	\$ -	\$ 106,695	\$ 115,662	\$ 36,077
Contracts and retainages payable	2,055	-	27,571	29,626	604
Accrued liabilities	127,106	-	193,568	320,674	15,530
Obligations under security lending agreements	1,568,215	-	57,790	1,626,005	1,585
Bonds and notes payable	2,723	-	67,968	70,691	6,430
Due to other funds	6,741	1	120,624	127,366	17,540
Due to other governments	-	-	2,633	2,633	1,054
Deferred revenues	14,824	-	30,689	45,513	720
Claims and judgments payable, current	1,484,543	-	49,015	1,533,558	78,141
<b>Total Current Liabilities</b>	<b>3,215,174</b>	<b>1</b>	<b>656,553</b>	<b>3,871,728</b>	<b>157,681</b>
<b>Non-Current Liabilities:</b>					
Claims and judgments payable, long-term	14,379,309	-	2,470	14,381,779	452,638
Bonds and notes payable	42,785	-	1,157,786	1,200,571	65,342
Other long-term liabilities	10,159	-	821,511	831,670	17,102
<b>Total Non-Current Liabilities</b>	<b>14,432,253</b>	<b>-</b>	<b>1,981,767</b>	<b>16,414,020</b>	<b>535,082</b>
<b>Total Liabilities</b>	<b>17,647,427</b>	<b>1</b>	<b>2,638,320</b>	<b>20,285,748</b>	<b>692,763</b>
<b>Net Assets:</b>					
Invested in capital assets, net of related debt	13,949	-	529,310	543,259	238,193
Restricted for:					
Unemployment compensation	-	1,509,887	-	1,509,887	-
Other specific purposes	-	-	63,476	63,476	-
Unrestricted	(6,259,962)	3,578	171,317	(6,085,067)	(345,159)
<b>Total Net (Deficit) Assets</b>	<b>\$ (6,246,013)</b>	<b>\$ 1,513,465</b>	<b>\$ 764,103</b>	<b>\$ (3,968,445)</b>	<b>\$ (106,966)</b>

The notes to the financial statements are an integral part of this statement.

# PROPRIETARY FUNDS

## Statement of Revenues, Expenses, and Changes in Fund Net Assets

For the Fiscal Year Ended June 30, 2003  
(expressed in thousands)

	Business-Type Activities Enterprise Funds				Governmental Activities
	Workers' Compensation	Unemployment Compensation	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Operating Revenues:</b>					
Sales	\$ -	\$ -	\$ 542,724	\$ 542,724	\$ 136,991
Less: Cost of goods sold	-	-	372,276	372,276	112,796
Gross profit	-	-	170,448	170,448	24,195
Charges for services	41	-	906,289	906,330	532,151
Premiums and assessments	1,286,965	1,103,053	932,141	3,322,159	65,402
Federal aid for unemployment insurance benefits	-	744,669	-	744,669	-
Lottery ticket proceeds	-	-	460,345	460,345	-
Miscellaneous revenue	29,873	27,299	129,663	186,835	26,946
<b>Total Operating Revenues</b>	<b>1,316,879</b>	<b>1,875,021</b>	<b>2,598,886</b>	<b>5,790,786</b>	<b>648,694</b>
<b>Operating Expenses:</b>					
Salaries and wages	105,358	-	475,485	580,843	212,031
Employee benefits	25,537	-	85,409	110,946	47,148
Personal services	5,565	-	37,791	43,356	14,717
Goods and services	62,597	-	495,299	557,896	244,748
Travel	2,661	-	16,658	19,319	3,090
Premiums and claims	2,373,605	2,328,774	885,326	5,587,705	136,480
Lottery prize payments	-	-	297,975	297,975	-
Depreciation and amortization	442	-	44,348	44,790	57,936
Miscellaneous expenses	38,335	-	61,331	99,666	11,132
<b>Total Operating Expenses</b>	<b>2,614,100</b>	<b>2,328,774</b>	<b>2,399,622</b>	<b>7,342,496</b>	<b>727,282</b>
<b>Operating Income (Loss)</b>	<b>(1,297,221)</b>	<b>(453,753)</b>	<b>199,264</b>	<b>(1,551,710)</b>	<b>(78,588)</b>
<b>Nonoperating Revenues (Expenses):</b>					
Earnings (loss) on investments	1,117,289	79,312	119,775	1,316,376	3,917
Interest expense	(2,534)	-	(97,942)	(100,476)	(3,129)
Distributions to other governments	-	-	(31,056)	(31,056)	-
Other revenue (expenses)	6,428	-	124,866	131,294	(4,495)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>1,121,183</b>	<b>79,312</b>	<b>115,643</b>	<b>1,316,138</b>	<b>(3,707)</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>(176,038)</b>	<b>(374,441)</b>	<b>314,907</b>	<b>(235,572)</b>	<b>(82,295)</b>
Capital Contributions	-	-	60,340	60,340	6,225
Transfers in	329,126	-	175,768	504,894	433,932
Transfers (out)	(334,616)	-	(789,020)	(1,123,636)	(427,615)
<b>Net Contributions and Transfers</b>	<b>(4,490)</b>	<b>-</b>	<b>(552,912)</b>	<b>(558,402)</b>	<b>12,542</b>
<b>Change in Net Assets</b>	<b>(181,528)</b>	<b>(374,441)</b>	<b>(238,005)</b>	<b>(793,974)</b>	<b>(69,753)</b>
<b>Net Assets - Beginning, as restated</b>	<b>(6,064,485)</b>	<b>1,887,906</b>	<b>1,002,108</b>	<b>(3,174,471)</b>	<b>(37,213)</b>
<b>Net Assets - Ending</b>	<b>\$ (6,246,013)</b>	<b>\$ 1,513,465</b>	<b>\$ 764,103</b>	<b>\$ (3,968,445)</b>	<b>\$ (106,966)</b>

The notes to the financial statements are an integral part of this statement.

## PROPRIETARY FUNDS

### Statement of Cash Flows

Continued

For the Fiscal Year Ended June 30, 2003  
(expressed in thousands)

	Business-Type Activities Enterprise Funds				Governmental Activities
	Workers' Compensation	Unemployment Compensation	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Cash Flows from Operating Activities:</b>					
Receipts from customers	\$ 1,139,224	\$ 1,040,953	\$ 2,793,023	\$ 4,973,200	\$ 723,881
Payments to suppliers	(1,459,460)	(2,328,810)	(1,971,706)	(5,759,976)	(431,049)
Payments to employees	(130,754)	-	(557,995)	(688,749)	(259,301)
Other receipts (payments)	29,873	784,400	129,662	943,935	26,948
<b>Net Cash Provided (Used) by Operating Activities</b>	(421,117)	(503,457)	392,984	(531,590)	60,479
<b>Cash Flows from Noncapital Financing Activities:</b>					
Transfers in	329,126	-	175,768	504,894	433,932
Transfers out	(334,616)	-	(789,020)	(1,123,636)	(427,616)
Operating grants and donations received	6,851	-	23,501	30,352	103
Taxes and license fees collected	5	-	106,718	106,723	-
Distributions to other governments	-	-	(31,056)	(31,056)	-
Other noncapital financing activity	775	-	71	846	50
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	2,141	-	(514,018)	(511,877)	6,469
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Interest paid	(2,534)	-	(54,353)	(56,887)	(3,147)
Principal payments on long-term capital financing	(2,582)	-	(65,308)	(67,890)	(12,172)
Proceeds from long-term capital financing	13	-	573,058	573,071	23,918
Proceeds from sale of capital assets	59	-	10,210	10,269	6,027
Acquisitions of capital assets	(870)	-	(160,252)	(161,122)	(59,229)
<b>Net Cash or Pooled Investments Provided by (Used in) Capital and Related Financing Activities</b>	(5,914)	-	303,355	297,441	(44,603)
<b>Cash Flows from Investing Activities:</b>					
Receipt of interest	325,353	79,312	37,988	442,653	3,428
Proceeds from sale of investment securities	6,540,562	-	437,400	6,977,962	4,679
Purchases of investment securities	(6,444,341)	-	(518,407)	(6,962,748)	(5,947)
<b>Net Cash Provided by (Used in) Investing Activities</b>	421,574	79,312	(43,019)	457,867	2,160
<b>Net Increase (Decrease) in Cash and Pooled Investments</b>	(3,316)	(424,145)	139,302	(288,159)	24,505
Cash and Pooled Investments, July 1	3,316	1,495,373	494,245	1,992,934	117,018
<b>Cash and Pooled Investments, June 30</b>	\$ -	\$ 1,071,228	\$ 633,547	\$ 1,704,775	\$ 141,523
<b>Cash Flows from Operating Activities:</b>					
Operating Income (Loss)	\$ (1,297,221)	\$ (453,753)	\$ 199,264	\$ (1,551,710)	\$ (78,588)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:</b>					
Depreciation	442	-	44,348	44,790	57,936
Provision for uncollectible accounts	31,780	-	9,759	41,539	35
<b>Change in Assets: Decrease (Increase)</b>					
Receivables (net of allowance)	(147,236)	(49,668)	(50,475)	(247,379)	(10,945)
Inventories	10	-	(129)	(119)	121
Prepaid expenses	(25)	-	898	873	430
<b>Change in Liabilities: Increase (Decrease)</b>					
Payables	991,133	(36)	189,319	1,180,416	91,490
<b>Net Cash or Cash Equivalents Provided by (Used in) Operating Activities</b>	\$ (421,117)	\$ (503,457)	\$ 392,984	\$ (531,590)	\$ 60,479

The notes to the financial statements are an integral part of this statement.



## PROPRIETARY FUNDS

### Statement of Cash Flows

Concluded

For the Fiscal Year Ended June 30, 2003

(expressed in thousands)

	Business Type Activities Enterprise Funds			Total	Governmental Activities
	Workers' Compensation	Unemployment Compensation	Nonmajor Enterprise Funds		Internal Service Funds
<b>Noncash Investing, Capital and Financing Activities:</b>					
Contributions of capital assets	\$ -	\$ -	\$ 60,340	\$ 60,340	\$ 6,225
Amortization of long-term lotto prize liability	-	-	35,743	35,743	-
Increase (decrease) in fair value of investments	791,936	-	81,334	873,270	494
Refunding bonds issued	-	-	7,650	7,650	-
Refunded bonds redeemed	-	-	(7,425)	(7,425)	-
Gain (loss) on on refunding activity	-	-	(225)	(225)	-
Amortization of debt premium (issue costs/discount)	-	-	795	795	-
Accretion of interest on zero coupon bonds	-	-	3,253	3,253	-

The notes to the financial statements are an integral part of this statement.

## FIDUCIARY FUNDS

### Statement of Fiduciary Net Assets

June 30, 2003

(expressed in thousands)

	Private- Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans	Agency Funds
<b>Assets:</b>				
Cash and pooled investments	\$ 44,907	\$ 2,774,168	\$ 33,316	\$ 159,502
Investments	-	2,405,385	-	-
Other receivables (net of allowance)	4,321	4,516	140,575	50,069
Due from other funds	7,230	-	262,635	522,731
Due from other governments	3,368	-	40,477	25,578
Prepaid expenses	702	-	-	-
<b>Total Current Assets</b>	<b>60,528</b>	<b>5,184,069</b>	<b>477,003</b>	<b>757,880</b>
<b>Noncurrent Assets:</b>				
Investments, noncurrent	31,273	143,941	42,938,536	23,812
Other noncurrent assets	16	-	-	76,674
<b>Capital Assets:</b>				
Land	7	-	-	-
Buildings	6,868	-	-	-
Other improvements	378	-	-	-
Furnishings and equipment	7,539	-	-	-
Accumulated depreciation	(8,233)	-	-	-
<b>Total Noncurrent Assets</b>	<b>37,848</b>	<b>143,941</b>	<b>42,938,536</b>	<b>100,486</b>
<b>Total Assets</b>	<b>\$ 98,376</b>	<b>\$ 5,328,010</b>	<b>\$ 43,415,539</b>	<b>\$ 858,366</b>
<b>Liabilities:</b>				
Accounts payable	\$ 3,532	\$ -	\$ -	\$ 14,473
Contracts and retainages payable	1	-	-	14,101
Accrued liabilities	11,396	199,856	37,730	265,480
Obligations under security lending agreements	-	143,941	1,438,530	14,176
Due to other funds	3,687	34	267,302	63,952
Due to other governments	171	-	-	404,708
Deferred revenues	1,820	-	-	-
Other long-term liabilities	14,953	-	-	81,476
<b>Total Liabilities</b>	<b>35,560</b>	<b>343,831</b>	<b>1,743,562</b>	<b>\$ 858,366</b>
<b>Net Assets:</b>				
Net assets held in trust for:				
Pension benefits	-	-	40,209,042	-
Deferred compensation participants	-	-	1,462,935	-
Local government pool participants	-	4,984,179	-	-
Individuals, organizations & other governments	62,816	-	-	-
<b>Total Net Assets</b>	<b>\$ 62,816</b>	<b>\$ 4,984,179</b>	<b>\$ 41,671,977</b>	

The notes to the financial statements are an integral part of this statement.

## FIDUCIARY FUNDS

### Statement of Changes in Fiduciary Net Assets

For the Fiscal Year Ended June 30, 2003

(expressed in thousands)

	Private- Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans
<b>Additions:</b>			
Contributions:			
Employers	\$ -	\$ -	\$ 166,842
Members	-	-	444,046
State	-	-	25,954
Pool participants	-	11,674,605	135,901
Total Contributions	-	11,674,605	772,743
Investment Income:			
Net appreciation (depreciation) in fair value	-	-	611,438
Interest and dividends	20,465	75,948	1,036,653
Less: Investment expenses	-	-	(88,654)
Net Investment Income	20,465	75,948	1,559,437
Transfers from other pension plans	-	-	613,393
Other additions:			
Charges for services	8,941	-	-
Federal grants-in-aid	186,362	-	-
Other contracts, grants and miscellaneous	164,878	-	1,196
Total other additions	360,181	-	1,196
<b>Total Additions</b>	<b>380,646</b>	<b>11,750,553</b>	<b>2,946,769</b>
<b>Deductions:</b>			
Pension benefits	-	-	1,862,914
Pension refunds	-	-	85,708
Transfers to other pension plans	-	-	613,393
Administrative expenses	25,922	4,382	3,000
Distributions to pool participants	-	12,177,407	68,469
Payments to or on behalf of individuals, organizations and other governments in accordance with trust agreements	331,264	-	-
<b>Total Deductions</b>	<b>357,186</b>	<b>12,181,789</b>	<b>2,633,484</b>
<b>Net Increase (Decrease) Before Transfers</b>	<b>23,460</b>	<b>(431,236)</b>	<b>313,285</b>
Transfers in	45,944	-	-
Transfers (out)	(62,345)	-	-
<b>Net Increase (Decrease)</b>	<b>7,059</b>	<b>(431,236)</b>	<b>313,285</b>
<b>Net Assets - Beginning, as restated</b>	<b>55,757</b>	<b>5,415,415</b>	<b>41,358,692</b>
<b>Net Assets - Ending</b>	<b>\$ 62,816</b>	<b>\$ 4,984,179</b>	<b>\$ 41,671,977</b>

The notes to the financial statements are an integral part of this statement.

## COMPONENT UNITS

### Statement of Fund Net Assets

June 30, 2003

(expressed in thousands)

	Public Stadium	Nonmajor Component Units	Total
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and pooled investments	\$ 3,876	\$ 4,157	\$ 8,033
Investments	-	30,635	30,635
Other receivables (net of allowance)	10	1,599	1,609
Prepaid expenses	33	256	289
<b>Total Current Assets</b>	<b>3,919</b>	<b>36,647</b>	<b>40,566</b>
<b>Noncurrent Assets:</b>			
Investments, noncurrent	21,287	2,222	23,509
Other noncurrent assets	-	15,947	15,947
<b>Capital Assets:</b>			
Land	34,677	-	34,677
Buildings	452,301	-	452,301
Furnishings and equipment	25,605	1,104	26,709
Accumulated depreciation	(25,390)	(784)	(26,174)
<b>Total Noncurrent Assets</b>	<b>508,480</b>	<b>18,489</b>	<b>526,969</b>
<b>Total Assets</b>	<b>\$ 512,399</b>	<b>\$ 55,136</b>	<b>\$ 567,535</b>
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 186	\$ 1,292	\$ 1,478
Contracts and retainages payable	2,342	-	2,342
Accrued liabilities	45	66	111
Deferred revenues	-	657	657
<b>Total Current Liabilities</b>	<b>2,573</b>	<b>2,015</b>	<b>4,588</b>
<b>Non-Current Liabilities:</b>			
Other long-term liabilities	37,000	-	37,000
<b>Total Non-Current Liabilities</b>	<b>37,000</b>	<b>-</b>	<b>37,000</b>
<b>Total Liabilities</b>	<b>39,573</b>	<b>2,015</b>	<b>41,588</b>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	447,851	320	448,171
Restricted for deferred sales tax	21,287	-	21,287
Unrestricted	3,688	52,801	56,489
<b>Total Net (Deficit) Assets</b>	<b>\$ 472,826</b>	<b>\$ 53,121</b>	<b>\$ 525,947</b>

The notes to the financial statements are an integral part of this statement.

## COMPONENT UNITS

### Statement of Revenues, Expenses, and Changes in Fund Net Assets

For the Fiscal Year Ended June 30, 2003  
(expressed in thousands)

	Public Stadium	Nonmajor Component Units	Total
<b>Operating Revenues:</b>			
Charges for services	\$ 852	\$ 9,211	\$ 10,063
<b>Total Operating Revenues</b>	852	9,211	10,063
<b>Operating Expenses:</b>			
Salaries and wages	378	3,480	3,858
Employee benefits	50	885	935
Personal services	170	493	663
Goods and services	255	2,620	2,875
Travel	10	24	34
Depreciation and amortization	18,579	123	18,702
Miscellaneous expenses	-	2	2
<b>Total Operating Expenses</b>	19,442	7,627	27,069
<b>Operating Income (Loss)</b>	(18,590)	1,584	(17,006)
<b>Nonoperating Revenues (Expenses):</b>			
Earnings (loss) on investments	225	1,839	2,064
Grants and Donations	-	213	213
Pass through of HUD grant	-	(213)	(213)
Sales tax	1,871	-	1,871
Interest expense	-	(467)	(467)
<b>Total Nonoperating Revenues (Expenses)</b>	2,096	1,372	3,468
<b>Net Income (Loss) before Contributions</b>	(16,494)	2,956	(13,538)
Contributions of capital	31,211	-	31,211
<b>Change in Net Assets</b>	14,717	2,956	17,673
<b>Net Assets - Beginning</b>	458,109	50,165	508,274
<b>Net Assets - Ending</b>	\$ 472,826	\$ 53,121	\$ 525,947

The notes to the financial statements are an integral part of this statement.

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2003

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